

Tackling the climate emergency means more than investing in clean energy

Averting an environmental and climate emergency needs a full arsenal of investable technologies aimed squarely at cutting emissions to net zero – but this must also go hand in hand with investment to tackle the alarming decline in nature.

By Peter Young, Chair of the Board of Trustees of Green Purposes Company

In a speech to the [Climate Innovation Forum](#) as part of London Climate Action Week, Lord Nicholas Stern said we must all ask ourselves if we will be able to look our children and grandchildren in the eye and tell them we did our best to make the world a safer place.

In the same week, we saw the UK government release its [Green Finance Strategy](#) on the heels of legislation that will result in the UK becoming the first country in the G7 to move to net zero emissions by 2050. These policy measures are certainly impressive: policy-makers and investors are clearly getting the picture that without robust, investable technologies deployed at scale we all face the catastrophic consequences of accelerating climate change. Yet it is crucial they do not become fixated on green energy as a panacea.

While the UK's record on cutting emissions through the greening of the energy sector has been world class, policies aimed at directing capital into renewable energy must go hand in hand with investment in biodiversity, natural capital solutions and environmental sustainability.

[Research carried out](#) by Bristol-based economists Eunomia Research for the [Green Purposes Company](#) (GPC) has mapped the landscape of green investments in areas relating to the five green purposes of what used to be known as the Green Investment Bank (GIB), now referred to as the [Green Investment Group](#) (GIG).

A not-for-profit company, the GPC owns a special share in the GIG to safeguard its green mission. In addition to reducing greenhouse gases and advancing the efficiency in the use of natural resources, the green purposes aim to protect or enhance the natural environment and biodiversity, as well as promote environmental sustainability.

Fulfilling these purposes should include natural capital solutions (NCS), according to the report. Overall, NCS are not risky technologies that need high levels of investment. Reforesting millions of hectares sequesters billions of tonnes of carbon dioxide, supports livelihoods and boosts economic growth.

Improving existing agricultural practices through cropland nutrient management also holds tremendous climate-supporting potential, ensuring the amount of nitrogen applied to the field does not exceed the amount that the plants can absorb. No-till and organic farming increases carbon in soil and enhances nature - when natural grasslands are tilled for planting, nearly half of the carbon stored in the soil surface is lost to the atmosphere.

Although there is a strong international consensus to restore and protect land-based ecosystems, there has been little concerted effort by governments and investors to advance these solutions, which provide a cost-effective path to a lower carbon and more environmentally sustainable world. [Research by The Nature Conservancy](#) and 15 other institutions found that with concerted global action between now and 2030, better land stewardship offers 37 percent of the solution for keeping global temperatures to 2 degrees Celsius or below—the same as if the world today put a complete stop on the burning of oil.

There is, however, a surprising imbalance in investment in nature-based solutions, which globally trail renewable energy and energy efficiency financing by a factor of ten to one despite evidence they have worked around the world on a large scale.

Admittedly, financial returns from renewable energy generation and energy-from-waste are generally lower risk because the technologies have matured and long-term contracts and other financing mechanisms have become established over recent years. For biodiversity, natural capital and environmental sustainability investments however, direct revenue streams are not so readily available, but such opportunities do exist.

We encourage the GIG and investors more widely to take inspiration from novel investment mechanisms that have been successfully developed in other parts of the world, as identified in our report. They have tremendous potential to provide a return for investors alongside benefits to people and the planet.